

ARTHEON FINANCE LIMITED



**27TH ANNUAL REPORT
2010-2011**

ARTHEON FINANCE LIMITED

BOARD OF DIRECTORS.

MR. S.K. JIWARAJKA	--- DIRECTOR
MR. TUSHAR JIWARAJKA	--- DIRECTOR
MR. M.L. TULSYAN	--- DIRECTOR (Upto 31/03/2011)
MR. DEBA PRASAD ROY	--- DIRECTOR

AUDITORS

M/S. V.PAREKH & ASSOCIATES

BANKERS

CANARA BANK

REGISTERED OFFICE

201, SUMER KENDRA,
PANDURANG BUDHKAR MARG,
WORLI, MUMBAI -400018

**ARTHEON FINANCE LTD.**

201, Sumer Kendra, Pandurang Budhkar Marg,
Worli, Mumbai - 400 018. INDIA.
Tel : +91-22-4096 3300
Fax : +91-22-24950415
Website: www.artheonventures.com

ARTHEON FINANCE LIMITED**NOTICE**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of the Company will be held

At: 201, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai 400018.

On: Friday, 30th September, 2011 at 11.00 A.M.

to transact the following business:

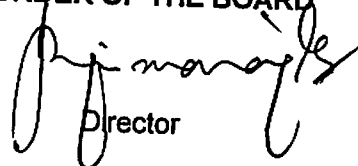
ORDINARY BUSINESS

1. To receive, consider & adopt the audited Balance Sheet as at 31.03.2011 and the Profit & Loss Account for the year ended on that date and the Directors' & Auditors' Reports thereon.
2. To appoint a Director in place of Shri Sushil Kumar Jiwarajka who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 30th September, 2011 to Friday, 30th September, 2011.
3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

BY ORDER OF THE BOARD


Director**REGISTERED OFFICE:**

201, Sumer Kendra,
Pandurang Budhkar Marg,
Worli, Mumbai 400018

Dated: August 29, 2011.

DIRECTORS' REPORT TO THE MEMBERS –

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Accounts for the financial year ended 31st March 2011.

Financial Results

The financial results of the Company for the year ended March 31, 2011 are summarized below:

	Current year 2010-2011 (Rs. in Lacs)	Previous Year 2009-2010 (Rs. in Lacs)
Income from operations and other income	12.17	57.55
Profit before Depreciation & Tax	(18.82)	26.51
Less: Depreciation	6.45	6.58
Profit/ (Loss) before Tax	(25.26)	19.92
Less: Provision for Taxation & Deferred Tax	(15.75)	2.85
Net Profit/ (Loss) after Tax	(41.02)	17.07
Add: Balance brought forward from last year	316.44	299.37
Amount available for Appropriation	275.41	316.44
Less: Transfer to General Reserve	-----	-----
Balance carried to Balance Sheet	275.41	316.44

Economic Scenario

The year gone by was a difficult period for Capital Market as there was marked slowdown in the global economic activity. The financial crisis which commenced in US spread its tentacles to Euro region taking a toll on the weaker nations of the region like Greece, Ireland, Portugal etc. The oil prices were also firm in view of the ongoing turmoil in West Asia dampening the prospects of early global recovery. It is predicted that the situation will remain so as no tangible hard decisions are being taken by the respective Governments. The continuing loose monetary policy of Federal Reserve and European Central Bank virtually had no impact in reviving the economy. On the contrary, India and China posted good economic growth as measured by gross domestic product. Our economy grew by 8.50% for 2010-2011, although there was slowdown in growth during the last quarter of the financial year. Farm output which was hitherto lagging behind bounced back, saving the day.

The current year 2011-2012 is no way better and is witnessing series of rate hikes by Reserve Bank of India to tame the rising inflation. There is already slowdown in various facets of the economy like manufacturing, construction, infrastructure, capital goods etc. There is an increasing trend in non-performing assets which has lead to Bank's being extra cautious in lending. The uncertainty in global capital markets has lead many foreign institutional investors leave the Indian shores for safety. As there is no aggressive buying by domestic institutions, retail/HNI investors, the equity market continues its downward journey

Review of Operations

In the backdrop of sluggish Capital Market, your Company's operations got affected resulting in loss. Income for the year ended 31st March 2011 was Rs 12.17 lacs as against the previous year's Rs 57.55 lacs, a decline of 21%. The Company had a loss of Rs 41.02 lacs during the period under review as against profit after tax of Rs 17.07 lacs in the previous year.

Dividend

As the Company has incurred loss, no dividend is declared by your Company for the period under review.

Deposits

The Company has not accepted any deposits from the public or otherwise as on 31st March 2011.

Director

Shri Sushil Kumar Jiwarajka, Director of the Company would retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. M. L. Tulsyan, director of the company resigned as a director of the company with effect from April 1, 2011.

Directors Responsibility Statement

The Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts on a going concern basis.

Particulars under Section 217(l) (e) of the Companies Act, 1956.

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption etc. is not given in view of the activities of the Company.

During the year, the foreign exchange earnings were Rs. NIL and outgo was Rs. NIL

Particulars of Employees

The Company does not have any employees whose particulars are required to be given under the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

Compliance Certificate

A Compliance Certificate from a secretary in whole-time practice under section 383A of the Companies Act, 1956 in respect of the financial year ended on March 31, 2011 is attached hereto.

Listing

The equity shares of the company are listed on the Bombay Stock Exchange Limited. The Company has paid the Annual Listing fees to the Stock Exchange for the year 2011-2012.

Auditors

M/s V. Parekh & Associates, Chartered Accountants, Mumbai would retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

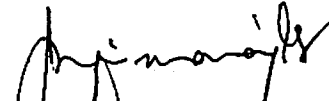
You are requested to appoint Auditors and to fix their remuneration.

Acknowledgement

Your Directors convey their gratitude to the Company's valued Clients, Bankers and Shareholders for their continued support. The Directors also record their appreciation of the Company's employees at all levels for their dedication, commitment and hard work.

For and on behalf of the Board of Directors


Tushar Jiwarajka
Director


S.K. Jiwarajka
Director

Place: Mumbai
Date: 29th August 2011.

SHIV HARI JALAN
B.COM., F.C.A., A.C.S.
COMPANY SECRETARY

104, MAHAVIR BUILDING, 44/46, POPATWADI LANE, KALBADEVI, MUMBAI-2.
Telephone: 2075834, Tele Fax: 2075835, Mobile: 9869035834, Residence: 8845111.

COMPLIANCE CERTIFICATE

U/S 383 A of the companies Act, 1956 & Rule 3 of the companies
(compliance certificate) Rules, 2001.

Registration No.: 11-033922

Nominal capital: Rs. 900 Lacs

To,

The Members,

ARTHEON FINANCE LIMITED

201, Sumer Kendra,

Pandurang Budhkar Marg,

Worli, Mumbai - 400018.

I have examined the registers, records, books and papers of ARTHEON FINANCE LIMITED (Registration No.: 11-033922) (the company) as required to be maintained under the companies Act, 1956. (THE ACT) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in the respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has not filed any forms & returns during the year under scrutiny with the Registrar of companies, Regional Director, Central Government, Company law Board or other authorities.
3. The company is a Public Limited company and hence comments are not required.
4. The board of Directors duly met *Five* times on 26.04.2010, 30.07.2010, 06.09.2010, 26.10.2010 & 29.01.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Minutes Book maintained for the purpose.
5. The company closed its Register of members from 29.09.2010 to 30.09.2010.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 30.09.2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loan to its Directors and/or persons firms or companies referred in Section 295 of the Act.

